

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Department of Insurance and Financial Services

Enforcement Case No. 17-14881

Agency No. 21-011-L

Petitioner,

v

Kaitlyn Goff

System ID No. 0791804

Sarah E. Ochoa

System ID No. 0661999

Respondents.

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ISSUED AND ENTERED

on December 6, 2021

by Randall S. Gregg

Senior Deputy Director

INTERIM ORDER

I. Background

Kaitlyn Goff (Respondent Goff) and Sara Ochoa (Respondent Ochoa), collectively herein referred to as, "Respondents," are nonresident insurance producers. The Department of Insurance and Financial Services (DIFS) received information that Respondents solicited, negotiated, and/or sold health insurance policies to Michigan consumers without being licensed or appointed. Additionally, Respondent Ochoa misrepresented the terms and conditions of some of the policies. After an investigation and verification of the information, on June 10, 2021, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondents had provided justification for revocation of licensure and other sanctions pursuant to Sections 1239 and 1244(1)(a-d) of the Michigan Insurance Code (Code), MCL 500.1239 and 500.1244(1)(a-d). Respondents failed to reply to the NOSC.

On September 13, 2021, DIFS issued an Administrative Complaint, Order for Hearing, and Notice of Hearing which was served upon Respondents at the addresses they are required to maintain with DIFS. The Order for Hearing required Respondents to take one of the following actions within 21 days: (1) agree to a resolution of the case, (2) file a response to the allegations with a statement that Respondents planned to attend the hearing, or (3) request an adjournment. Respondents failed to take the required action.

On November 16, 2021, 2021, DIFS staff filed a Motion for Interim Order. Respondents did not file a reply to the motion.

On November 24, 2021, [REDACTED]

[REDACTED] responded to the Motion for Interim Order in a satisfactory manner.

II. Findings of Fact and Conclusions of Law

1. Respondent Goff was an active licensed nonresident producer with qualifications in accident, health, and life. Respondent Goff's license has been inactive since June 25, 2019. As it relates to Respondent Goff, enforcement action shall proceed pursuant to MCL 500.1239(7).
2. Respondent Ochoa is a licensed nonresident producer with qualifications in accident, health, and life, and is authorized to transact the business of insurance in the state of Michigan. Respondent Ochoa's license is currently active.
3. Health and Life Associates, LLC (HLA) is a licensed nonresident agency producer with qualifications in accident, health, and life, and is authorized to transact the business of insurance in the state of Michigan.
4. On or about January 12, 2016, DIFS received a consumer complaint from D. G. (Complainant). He alleged that one of HLA's agents sold an insurance policy to his wife and did not provide the coverages that were represented to her at the time of sale. At the request of Complainant's wife, HLA subsequently voided the policy and issued a refund.
5. To further evaluate Complainant's allegations of misrepresentation, DIFS initiated an investigation during which its investigators contacted HLA posing as prospective customers. Additionally, they contacted and interviewed past customers of HLA.
6. Between January 12, 2017, and January 13, 2017, DIFS investigators made contact with 11 of HLA's customers.
7. On January 13, 2017, a DIFS investigator called HLA, posing as a prospective insured seeking health insurance. The DIFS investigator spoke with [REDACTED], who subsequently explained the policy and its benefits. Mr. S [REDACTED] also requested payment information and explained that a \$99.00 fee would be processed once the application was approved. The DIFS investigator advised Mr. S [REDACTED] that he was not willing to provide payment information prior to receiving detailed policy information.
8. Mr. S [REDACTED] then transferred the call to Respondent Ochoa. Respondent Ochoa also requested payment information from the DIFS investigator explaining to him that she could not provide detailed policy information until after she received his payment information. No payment information was provided.
9. On January 20, 2017, a second DIFS investigator called HLA, posing as a prospective insured seeking health insurance. The second investigator was eventually transferred to [REDACTED]. Mr.

M [REDACTED] subsequently explained the policy and its benefits in a similar manner to what Mr. S [REDACTED] had explained:

- The product was underwritten by AXIS Insurance Company (AXIS);
 - The product is a limited benefit plan that provides members with discounts;
 - The plan is offered through First Health Network, a PPO; and
 - There is no deductible for ER visits and a 50% discount would be applied to an ER visit.
10. Eventually the second DIFS investigator's call was transferred to Respondent Ochoa. Respondent Ochoa explained she needed to submit an application prior to being able to release detailed policy information. Furthermore, Respondent Ochoa stated there was no cost associated with an application. However, she still needed to collect payment information prior to providing detailed policy information.
11. On January 23, 2017, Respondent Ochoa provided a DIFS investigator with brochures for the Liberty Health Membership Plan (LHMP). The brochures identified AXIS as the underwriter of the LHMP. The terms and benefits of the policy were materially different from what HLA's agents had represented to DIFS investigators. Specifically:
- The LHMP does have a deductible for each of its plans; and
 - Only a fixed dollar figure is subtracted from a doctor's visit and no additional percentage discount would be applied to the plans.
12. On or about February 12, 2017, B. M., one of HLA's customers, sent a written letter to DIFS investigators explaining that HLA had misrepresented the policy that was sold to him.
13. By materially misrepresenting the benefits of health insurance plans that were sold to its customers, Respondent Ochoa violated MCL 500.2005(a), providing justification for sanctions pursuant to MCL 500.150, MCL 500.1239(1)(c), MCL 500.1239(1)(g), MCL 500.1239(2)(e), and MCL 500.1244(1).
14. During the investigation, DIFS investigators found that Respondents Goff was listed as the agent of record for some of the AXIS insurance policies. However, Respondent Goff did not have the requisite appointment necessary to represent AXIS.
15. By acting as the insurance agent of record for customers that purchased policies underwritten by AXIS without the requisite appointment, Respondent Goff violated MCL 500.1208a(1) providing justification for sanctions pursuant to MCL 500.1239(1)(g), MCL 500.1239(2)(e), and MCL 500.1244(1).
16. Based upon the actions listed above, Respondents have committed acts that provide justification for the Director to order the payment of a civil fine, and/or other licensing sanctions, including revocation of licensure.

17. On June 10, 2021, an NOSC was sent to Respondents at their mailing addresses of record. No responses were received.
18. On September 13, 2021, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondents at their mailing addresses on record with DIFS. The Order for Hearing required Respondents to take one of the following actions within 21 days: (1) agree to a resolution of the case, (2) file a response to the allegations with a statement that Respondents planned to attend the hearing, or (3) request an adjournment. Respondents failed to respond or take any action.
19. On November 16, 2021, DIFS staff filed a Motion for Interim Order. Respondents did not file a reply to the motion.
20. On November 24, 2021, [REDACTED]
[REDACTED] to the Motion for Interim Order in a satisfactory manner.
21. DIFS staff have made reasonable efforts to serve Respondents and have complied with MCL 500.1238(2).
22. Respondents have received notice and have been given an opportunity to respond and appear and have not responded nor appeared.
23. Respondents are in default and the Petitioner is entitled to have all allegations accepted as true.

III. Interim Order

Based upon the Respondents' conduct and the applicable law cited above, it is ordered that:

1. Respondents are in Default in this matter and all allegations contained in the Administrative Complaint are accepted as true in all respects.
2. Respondents shall immediately **CEASE** and **DESIST** from engaging in the business of insurance.
3. Respondents shall **CEASE** and **DESIST** from violating the Code.
4. Respondents' licenses (System ID Nos. 0791804 and 0661999) are **SUSPENDED** commencing the day immediately following the issuance of this Interim Order. Respondents' licenses shall only be reinstated upon their request if the conditions in this Interim Order have been met.

5. Respondents shall each pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$1,000.00 within 30 days of the date of the DIFS' invoice.

Anita G. Fox, Director
For the Director:

A handwritten signature in black ink, appearing to read 'R. S. Gregg', is written over a horizontal line.

Randall S. Gregg
Senior Deputy Director